

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1895 final

Brussels, 18 November 1974

Proposal for a

REGULATION (EEC) OF THE COUNCIL

fixing for the 1974/75 sugar marketing year in respect of Ireland and the United Kingdom the derived intervention price for white sugar, the intervention price for raw beet sugar and the minimum prices for beet

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Proposal for a

REGULATION (EEC) OF THE COUNCIL

altering in respect of Denmark the intervention price for butter

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(submitted to the Council by the Commission)



EXPLANATORY MEMORANDUM

1. At the present time it is proving possible to reduce sugar and butter prices in some new Member States to the common level. This is the aim of the draft regulation annexed hereto.

2. In the case of sugar, world market prices have for several months been considerably higher than the common price. At time of Accession, when the situation was different, the prices applicable in Ireland and the United Kingdom were fixed at a level lower than that of the common price. At the present time, by reason of the influence of world market prices in those two Member States, market prices there are somewhat above the common price. In view of this, it no longer seems necessary to apply a special "accession" price.

The alignment of prices is accordingly proposed on the basis of Article 62(1) in conjunction with Article 56 of the Act of Accession.

It will therefore be possible to abolish accession compensatory amounts in this sector.

The price differences which continue to exist are the result of regional variations which are introduced on the basis of Article 43 of the Treaty.

3. In the case of butter, the difference between the common price and the price applied in Denmark is only 2.1%. This difference does not seem important enough to be maintained. In this sector the only accession compensatory amounts to remain will thus be those applicable for Ireland and the United Kingdom.

4. Financial effects

(a) The first proposal, aligning the intervention prices for sugar in Ireland and the United Kingdom with the common price, will, as from the 1 January 1975, enable accession compensatory amounts (aca) for sugar to be abolished in trade between those two Member States and other Member States.

Assuming sugar imports to amount to 400-450 000 metric tons, the financial effect of the abolition of aca's will amount to 14.6 - 16.4 million u.a. which will no longer need to be paid out as aca's in connection with such trade. The saving is in respect of Article 750 of the 1975 budget.

(b) The second draft regulation provides for the alignment as from 1 January 1975 of the Danish intervention price for butter with the common price. This enables the Commission to abolish accession compensatory amounts for butter in trade between Denmark and the Community as originally constituted.

As regards exports from Denmark to the United Kingdom and to non-member countries, the proposed measure effects are estimated to be as follows:

1. As a result of the price adjustment, public butter stocks would be revalued by about 0.4 million units of account. The net losses of intervention agencies in 1974 would be reduced by the same amount (Article 621, Item 6214 of the budget);
2. Refunds on exports to non-member countries would increase as a result of the price adjustments by 1.3 million units of account in 1975 (Article 620, Item 6 200 of the budget);
3. The accession compensatory amounts to be paid in respect of exports to the United Kingdom would increase by 5.5 million units of account. These aca's are to be regarded as a form of intervention. They are to be charged against Article 750 of the 1975 Budget.

millions of units of account

Article, item	year	appropriations	expenditure
621, 6214 (intervention)	1973	683.8	651.7
	1974	491.0	212.5 (1 Jan. - 30 Nov. 74)
	1975	299.0	
620, 6200 (export refunds)	1973	283.3	328.1
	1974	346.6	367.1 (1 Jan. - 30 Nov. 74)
	1975	366.6	
791 ) 791 ) aca 750 )	1973	260.0	264.3
	1974	200.0*	322.2 (1 Jan. - 30 Nov. 74)
	1975	236.8	

\* proposed transfer

PROPOSAL FOR A REGULATION (EEC) OF THE COUNCIL  
 fixing for the 1974/75 sugar marketing year in  
 respect of Ireland and the United Kingdom the  
 derived intervention price for white sugar, the  
 intervention price for raw beet sugar and the  
 minimum prices for beet

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and  
 in particular Article 43 thereof;

Having regard to the Treaty<sup>(1)</sup> concerning the Accession of new Member States to  
 the European Economic Community and to the European Atomic Energy Community, and  
 in particular Article 62(1) of the Act annexed thereto and paragraph 5 of  
 Protocol No. 17 to that Act;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas Council Regulation (EEC) No. 1600/74<sup>(2)</sup> of 20 April 1974 fixed for the  
 1974/75 sugar marketing year the derived intervention prices, the intervention  
 prices for raw beet sugar and the minimum prices for beet; whereas those prices  
 were raised by Commission Regulation (EEC) No. 2518/74<sup>(3)</sup> of 4 October 1974  
 on the measures to be taken following the all-round increase with effect from  
 7 October 1974 of agricultural prices;

Whereas Article 56 of the Act of Accession provides that, if world market prices  
 are high in comparison with Community prices or if, in particular no refund  
 is applicable, appropriate measures may be taken with a view to ensuring the  
 proper functioning of the common organization of the market; whereas for some time  
 there has been a shortage of sugar on the world market and this has led to a  
 considerable increase in prices which are now much higher than Community prices;  
 whereas this has meant that in Ireland and the United Kingdom market prices have  
 risen to a level at least equal to that of prices in the other Member States;

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(1) OJ No L 73, 27 March 1972, p. 5

(2) OJ No L 172, 27 June 1974, p. 3

(3) OJ No L 270, 5 October 1974, p. 1

Whereas the situation on the world market is unlikely to change in the foreseeable future; whereas it therefore seems appropriate to raise the intervention prices for white sugar and raw beet sugar and the minimum prices for beef - these being at present lower than the common prices - to the level of those common prices; whereas the price as referred to in Protocol No. 17 to the Act annexed to the Treaty of Accession at which sugar is marketed in the United Kingdom should therefore be fixed at a corresponding level;

Whereas in a year of normal harvests, sugar production in Ireland and the United Kingdom meets approximately 80% and 40% respectively of market requirements; whereas those requirements must be partially covered by sugar from surplus areas of the Community;

Whereas market prices in Ireland and the United Kingdom will consequently be determined to a large extent by the offer prices for sugar from such areas; whereas a single derived intervention price of 27.48 units of account per 100 kilogrammes should therefore be fixed for white sugar for all areas of Ireland and the United Kingdom; whereas this price has been established on the basis of the intervention price applicable in the area of the Community with the largest surplus plus an allowance in respect of the cost of delivery to Ireland and to the United Kingdom and of the normal cost of marketing sugar in those Member States; whereas with effect from 1 January 1975 common criteria should be applied for the purpose of deriving the intervention price for raw beet sugar from the intervention price for white sugar; whereas as regards the minimum prices for beet as provided for in the first and second indents of Article 4(1) of Regulation No. 1009/67/EEC<sup>(4)</sup> of 18 December 1967 on the common organization of the market in sugar, as last amended by Regulation , the same criteria should be applied for all areas of Ireland and the United Kingdom as were applied for the purpose of fixing minimum prices for all areas of the Community other than that producing the largest surplus;

HAS ADOPTED THIS REGULATION :

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(4) OJ No 308, 18 December 1967, p. 308/J.  
(5)

Article 1

For all areas of Ireland and the United Kingdom :

- the derived intervention price for 100 kilogrammes of white sugar shall be 27.48 units of account;
- the intervention price for 100 kilogrammes of raw beet sugar shall be 23.39 units of account;
- the minimum price for beet shall be 21.08 units of account per metric ton;
- the minimum price for beet outside the basic quota shall be 12.93 units of account per metric ton.

Article 2

1. The price at which is marketed sugar purchased under the Commonwealth Sugar Agreement and imported into the United Kingdom by virtue of Protocol No. 17 to the Act shall be 21.37 units of account per 100 kilogrammes of raw cane sugar.

2. This price shall relate to raw sugar of standard quality, naked weight, delivered cif, free out, to ports in the United Kingdom.

Article 3

This Regulation shall enter into force on 1 January 1975.

It shall apply until the end of the 1974/1975 marketing year.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council,  
The President





REGULATION (EEC) OF THE COUNCIL

altering in respect of Denmark the intervention  
price for butter.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the Treaty<sup>(1)</sup> concerning the accession of new Member States to the European Economic Community and to the European Atomic Energy Community, and in particular Article 53 of the Act annexed thereto;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas Council Regulation (EEC) No. 663/74<sup>(2)</sup> of 28 March 1974 fixed inter alia the intervention prices for butter for the 1974/75 milk year; whereas those prices were increased by Council Regulation (EEC) No. 2496/74<sup>(3)</sup> of 2 October 1974.

Whereas Article 53 of the Act of Accession provides that if the difference between the price level of a product in a new Member State and the common price level is found to be minimal the common price level may be applied;

Whereas the difference between the price obtaining in Denmark and the common price has been found to be very slight; whereas the common intervention price should therefore be applied in that Member State;

HAS ADOPTED THIS REGULATION:

Article 1

With effect from 1 January 1975, the intervention price for butter shall in Denmark be 183,58 units of account per 100 kilogrammes.

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(1) OJ No L 73, 27.3.1972, p. 5  
(2) OJ No L 85, 29.3.1974, p. 52  
(3) OJ No L 268, 3.10.1974, p. 1

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President